



31 January 2020

SCI QUARTERLY ACTIVITIES REPORT

For the 3 Months Ending 31 December 2019

Silver City Minerals Limited (ASX: **SCI**) (**Silver City** or **Company**) is pleased to provide the following summary of its activities for the three (3) months ending 31 December 2019 (**Period**).

Highlights

- SCI undertook a project review of gold, copper and copper-cobalt opportunities within the Company's portfolio.
- Ongoing review of other commodity opportunities within the Broken Hill region.
- Ongoing monitoring and compliance of rehabilitation of exploration drill sites on the Company's projects.
- Subsequent to the end of the December Quarter, the Company issued 20,000,000 fully paid ordinary shares at an issue price of \$0.01 per fully paid ordinary share to raise \$200,000.

Operations

Silver City Minerals Ltd (**SCI**, or the **Company**) holds a considerable portfolio of mineral exploration tenure in the highly endowed and highly prospective Broken Hill region of the Curnamona Province, understood to be one of the largest single company holdings in the area. The Company's Projects include Copper Blow, interpreted to be an Iron Oxide Copper Gold (IOCG) deposit, the Razorback West Project and tenure over the Euriowie Block including the Yalcowinna Cu-Co prospect.

To date the Company had drilled approximately 8,500 metres at Copper Blow prospect (see ASX Release 4 October 2018). Drill testing had tested the mineral system over a strike length of 1 kilometre where the mineralisation demonstrates the geological characteristics of an iron oxide copper gold deposit (IOCG), similar to those which form within an arcuate domain on the eastern side of the Gawler Craton in South Australia.

During the Quarter, the Company engaged BinEx Consulting Pty Ltd to review the Company's projects and determine key priority targets within the Companies extensive portfolio. The Company also continues to receive interest from third parties in relation to the portfolio. The Activities during the quarter have focused on maintaining the Company tenure in good stead, with substantial work related to validation and verification of historical exploration activities, database validation and significant work addressing statutory compliance and reporting activities with the NSW Department of Natural Resources and Mines. The Company has progressed ongoing monitoring of historical rehabilitation commitments.

The Company holds a considerable portfolio of tenements at Broken Hill (see below).

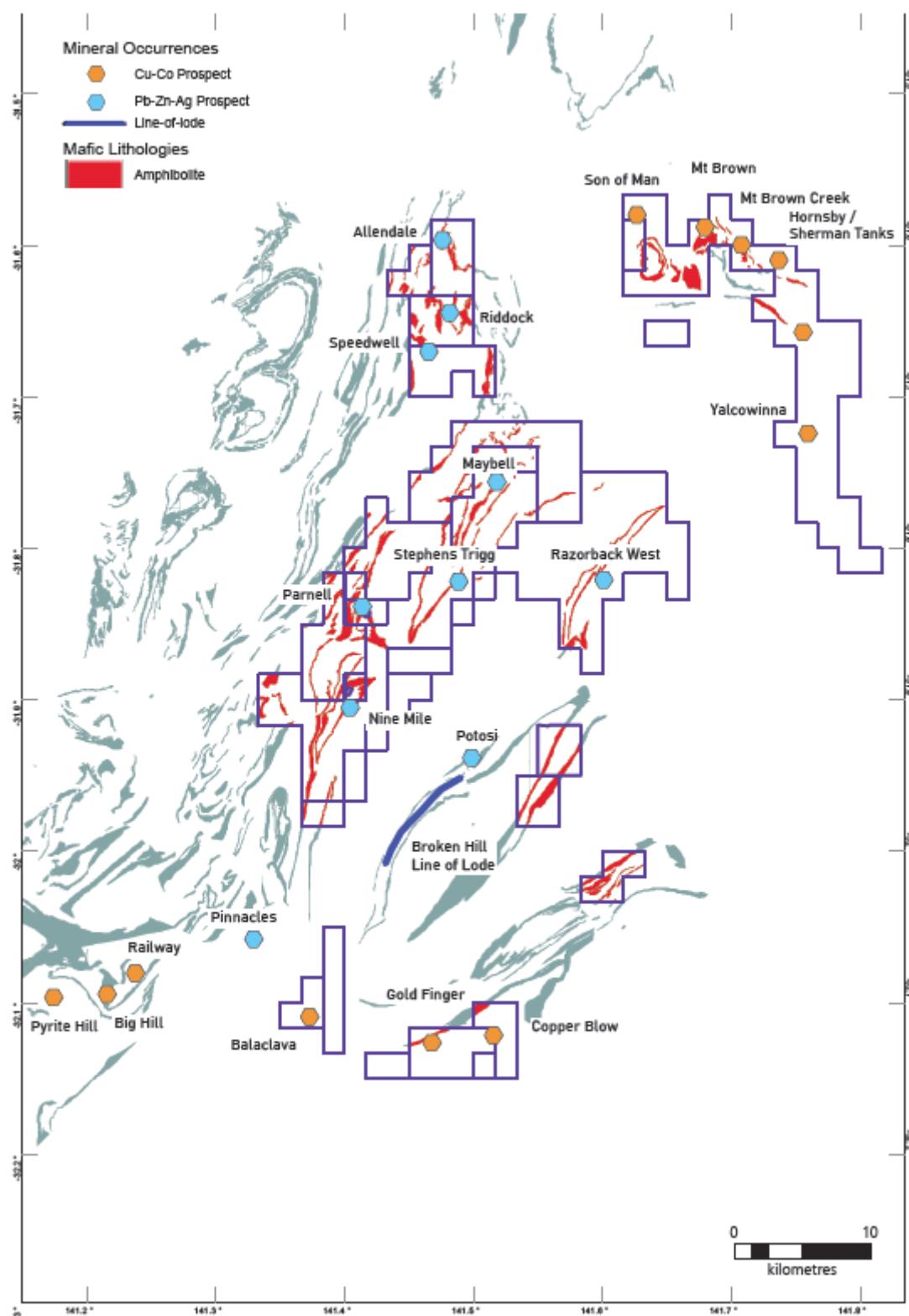


Figure 1

The Company continues to review the Copper Blow and Razorback West Projects.

The Company has identified the Yalcowinna Prospect as having significant similarities to the Big Hill and Pyrite Hill copper-cobalt deposits owned by Cobalt Blue Limited (ASX:COB), which are hosted within albite gneiss of the Thackaringa Group metasediments. Drilling at Yalcowinna has identified broad low-grade copper-cobalt mineralisation within albite gneisses similar to the Pyrite Hill-Big Hill deposits. The company is undertaking a review of the Euriovie Block tenure to identify additional copper-cobalt prospects.

The Company is reviewing the prospectivity of the tenements for mafic carbonatite mineralisation similar to that reported by Impact Minerals Limited (refer Impact Minerals announcement 26th March 2019). Impact Minerals reported occurrences of carbonatite lithologies, and mafic intrusions, prospective for IOCG, rare-earth metals (REE) and nickel. Significant volumes of mafic gneisses are mapped within the SCI tenure and may be prospective under this model as representing mafic alkaline igneous rocks prospective for IOCG and REE mineralisation. The Company is planning field activities aimed at understanding this opportunity.

Corporate Activities

Subsequent to the end of the December Quarter, on 2 January 2020, the Company issued 20,000,000 fully paid ordinary shares at an issue price of \$0.01 per fully paid ordinary share to raise \$200,000. The Placement has been conducted pursuant to ASX Listing Rule 7.1 to fund the Company's ongoing exploration activities, business development and general working capital.

Following the completion of the above-mentioned Placement, the Company continues to progress its business development activities. The Board continues to assess all reasonable avenues to create shareholder growth, be it by the further development of any of its current projects or the acquisition of new projects that may be amenable to the creation of shareholder value.

Current Capital Structure

Category	ASX Code	Number
Fully Paid Ordinary Shares on Issue	SCI	343,710,253
Unquoted Options (\$0.03 – 16/01/21 expiry)	-	3,000,000
Unquoted Options (\$0.06 – 5/06/22 expiry)	-	4,000,000
Unquoted Options (\$0.05 – 29/11/20 expiry)	-	2,000,000
Unquoted Options (\$0.03 – 27/02/22 expiry)	-	26,750,000
Unquoted Options (\$0.02 – 31/10/22 expiry)	-	30,000,000

Tenement Schedule

TenementId	Manager	Project	Holder1Shares	CurrentArea	GrantDate	ExpiryDate	Comments
EL 7300	*SICM	ARAGON	100	37	23/02/2009	23/02/2020	Previously ELA 3584, 3585 & 3586
EL 7390	*SICM	YELLOWSTONE	100	24	20/08/2009	20/08/2023	Previously ELA 3705
EL 8020	*SICM	RIDDOCK	100	6	23/11/2012	23/11/2023	Previously ELA 4558
EL 8075	*SICM	WILLYAMA	100	40	15/04/2013	15/04/2022	Previously ELA 4646
EL 8077	*SICM	RAZORBACK	100	23	15/04/2013	15/04/2022	Previously ELA 4655
EL 8078	*SICM	YALCOWINNA	100	36	15/04/2013	15/04/2022	Previously ELA 4654
EL 8236	*SICM	NATIVE DOG	100	4	11/02/2014	11/02/2020	Previously ELA 4925
EL 8333	*SICM	ENMORE	100	5	17/12/2014	17/12/2023	Previously ELA 5076
EL 8495	*SICM	SOUTHERN CROSS	100	11	22/12/2016	22/12/2019	Previously ELA 5362
EL 8579	*SICM	TINDERY	100	98	26/05/2017	26/05/2020	Previously ELA 5416
EL 8685	*SICM	ASPEN	100	2	23/01/2018	23/01/2024	
EL 8862	*SICM	CLEVEDALE	100	8	17/06/2019	17/06/2025	Previously ELA 5731 (ELA 5731 was applied for to consolidate EL 8074 and part of EL 8255)
EL 8863	*SICM	HIMALAYA	100	29	17/06/2019	17/06/2025	Previously ELA 5732 (EL 5732 was applied for to consolidate EL 8076, part of EL 8255, EL 8629 and ELA 5702 plus some additional ground)

This announcement has been authorised by the Board of Directors of Silver City Minerals Limited.

-ENDS-

Contact details

Sonu Cheema (Company Secretary)

Ph: +61 (8) 6489 1600

Fax: +61 (8) 6489 1601

Email: reception@cicerogroup.com.au

ABOUT Silver City Minerals Limited

Silver City Minerals Limited (SCI) is a base and precious metal explorer focused on the Broken Hill District of western New South Wales, Australia. It takes its name from the famous Silver City of Broken Hill, home of the world's largest accumulation of silver, lead and zinc; the Broken Hill Deposit. SCI was established in May 2008 and has been exploring the District where it controls Exploration Licenses through 100% ownership and various joint venture agreements. It has a portfolio of highly prospective projects with drill-ready targets focused on high grade silver, gold and base-metals.

Caution Regarding Forward Looking Information

This document contains forward looking statements concerning Silver City Minerals Limited. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Silver City's beliefs, opinions and estimates of Silver City Minerals as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future development.

ASX Listing Rules Compliance

In preparing the Quarterly Activities report for the period ended 31 December 2019, the Company has relied on the following ASX announcements

ASX Announcement	6 July 18	Copper-Gold intersections at Copper Blow
ASX Announcement	23 July 18	New Large Copper-Gold Target at Copper Blow
ASX Announcement	30 July 18	Quarterly Activities Report
ASX Announcement	3 September 18	Drilling Commences at Copper Blow
ASX Announcement	17 September 18	New Copper-Cobalt projects at Broken Hill
ASX Announcement	4 October 18	Extensive Sulphide Zone at Southern Anomaly
ASX Announcement	17 October 18	Presentation for Brisbane Resources Round-Up
ASX Announcement	25 October 18	Quarterly Activities Report
ASX Announcement	30 October 18	Soil Survey Confirms Extensive Mineral System at Copper Blow
ASX Announcement	9 November 18	Copper Blow Drill Results
ASX Announcement	21 November 18	Copper Blow Exploration Update
ASX Announcement	24 January 19	Quarterly Activities Report
ASX Announcement	30 April 19	Quarterly Activities Report and Appendix 5B
ASX Announcement	1 August 19	Quarterly Activities Report and Appendix 5B

Compliance Statement

This report contains information extracted from reports cited herein. These are available to view on the website www.silvercityminerals.com.au. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Quarterly Activities for the period ended 31 December 2019.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Silver City Minerals Limited

ABN

68 130 933 309

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(74)	(109)
(b) development	-	-
(c) production	-	-
(d) staff costs (excludes direct exploration salaries)	-	-
(e) administration and corporate costs	(104)	(169)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	5
1.6 Income taxes paid	8	10
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(170)	(262)

2. Cash flows from investing activities	-	-
2.1 Payments to acquire:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:	-	-
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	300	300
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(20)	(20)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	280	280

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	350	442
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(170)	(262)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	280	280

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	460	460

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	60	93
5.2	Call deposits	400	257
5.3	Bank overdrafts	-	-
5.4	Other – term deposits	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	460	350

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

29

-

Salaries, Directors fees and consultancy fees at normal commercial rates.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

-

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	72
9.2 Development	-
9.3 Production	-
9.4 Staff costs (excludes direct exploration salaries)	30
9.5 Administration and corporate costs	44
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	146

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A	N/A	N/A
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

Mining exploration entity and oil and gas exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Director/Company secretary)

Date 31 January 2020

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.